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SUBJECT: UK BUSINESS RESERVEDLY OPTIMISTIC ON DOHA

¶1. (SBU) SUMMARY: UK international business figure Gary Campkin (PROTECT) is "reservedly optimistic" that the WTO Doha negotiations can be concluded this year. He says that the current global economic and political situation has created a climate giving impetus to reaching an agreement; it will be harder to do so next year. Campkin, who was part of the Confederation of British Industry's (CBI) delegation to accompany PM Brown to India and China, said he believes India may not push for an agreement, but would not block one if it got what it needed on special products. PM Brown raised the topic in China, but Chinese officials did not characterize it as a priority. CBI is concerned that services are not receiving sufficient attention in the negotiations. Campkin said that should there not be an agreement in the next several months, WTO DG Lamy should consider presenting his own draft. END SUMMARY

¶2. (SBU) Gary Campkin, head of international affairs at CBI, gave us a read out on February 1, 2008 of PM Brown's recent trip to China and India in which he was accompanied by a CBI delegation. (Septel will follow) Campkin believes that conditions are currently favorable for an agreement, but they may not remain so. He suggests that the global economic uncertainty can be used as a pretext for moving forward with the agreement. Coming to agreement on Doha would send a strong signal of international cooperation. In addition, he thinks that the current high agricultural prices create a favorable environment for reducing agricultural subsidies and tariffs.

¶3. (SBU) According to Campkin, the Doha negotiations came up in discussions during the Prime Minister's trip to India and China. Campkin believes that India will not block the Doha round as long as they receive something on special products. However, he thinks that India is not likely to push an agreement either. The political climate in India is such that all government initiatives are viewed through the prism of poverty reduction. He says that PM Brown raised Doha in China as well, but Chinese officials made no specific comments on the negotiations and did not characterize them as a priority.

¶4. (SBU) Campkin remains concerned that services negotiations are still lagging behind those for agriculture and non-agriculture market access (NAMA). More attention is needed by negotiators to push these forward.

¶5. (SBU) Campkin said that the next few months would be crucial with draft texts on agriculture and NAMA expected and the possibility of a ministers meeting around Easter. He said CBI is coming to the view that if an agreement is not reached in the next few months, WTO DG Lamy should consider putting forth his own draft text. It may then be the time for Lamy to exercise prerogative. Campkin continued that if there is no agreement this year, it will become increasingly difficult to do so next year and beyond. Changes in administration in the U.S., elections in India, and changes in the European Commission in 2009 mean any momentum built up will slacken as new

teams take over and assess the state of negotiations.

TUTTLE